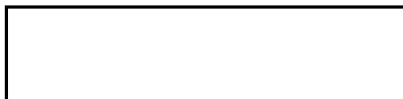


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## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/120

12 September 1960

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

Printed and Disseminated by the  
Central Intelligence Agency

Summary of Events\*  
26 August - 8 September 1960

Cuba, which has been seeking to acquire Bloc arms for almost a year, apparently has now concluded an arms agreement with Czechoslovakia. In a parade of the Cuban Farmers' Militia on 21 August, the 1,500 graduates of a 45-day course of instruction were armed with 7.62-mm semiautomatic rifles clearly identifiable as being of Czechoslovak manufacture.

In an angry response to the declaration of the Organization of American States at San José, Cuban Premier Castro on 2 September announced Cuba's eagerness to accelerate the development of political, military, and economic ties with the Sino-Soviet Bloc. His most significant pronouncement granted diplomatic recognition to Communist China and declared Cuba's willingness to accept military and other assistance from the Chinese. Coming little more than a month after the signing of the Cuban - Chinese Communist trade agreement, this first recognition of the Peiping regime by a Latin American country constitutes a major political and economic breakthrough for Communist China in the Western Hemisphere.

Trade and technical assistance agreements between Ghana and the USSR have been signed in Moscow. The trade agreement calls for the exchange of Ghanaian agricultural commodities for Soviet machinery, steel and semifinished nonferrous items, construction materials, and petroleum products. Under the terms of the technical assistance pact, the USSR will extend to Ghana a long-term, low-interest credit of \$40 million for minerals exploration, industrial and power development, agricultural processing plants, model state farms, fisheries, and technical training.

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\* An unclassified table showing the number of Bloc economic technicians in underdeveloped countries during the period 1 January - 30 June 1960 is included in this issue on p. 6.

India announced on 30 August its acceptance of an additional Soviet credit amounting to \$125 million. This sum plus the \$375 million provided in 1959 brings to \$500 million the total amount of Soviet credit extended specifically for utilization under India's Third Five Year Plan (April 1961 - March 1966).

The 500-bed hospital in Phnom Penh, which was built as a gift from the USSR under a Soviet-Cambodian agreement of 31 May 1957 at an estimated cost of \$6 million, was officially opened on 29 August.

The Soviet Ambassador to Greece, Andrei Sergeyev, on arriving in Cyprus on 1 September, told reporters that the USSR planned to establish an embassy in Nicosia and would grant aid to Cyprus if requested. The Greek Cypriot press gave sympathetic and extensive coverage to the Ambassador's arrival and contrasted Sergeyev's offers with the reticence of the United States on the subject of aid.

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